

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

## **SENATE JOINT RESOLUTION 1001**

### **A JOINT RESOLUTION**

RATIFYING THE PROPOSAL OF THE REPRESENTATIVES OF THE GOVERNORS OF THE SEVEN STATES OF THE COLORADO RIVER BASIN REGARDING THE ADOPTION OF INTERIM SURPLUS GUIDELINES BY THE SECRETARY OF THE INTERIOR FOR THE COLORADO RIVER SYSTEM AND AUTHORIZING THE INTERIM SURPLUS GUIDELINES AGREEMENT BETWEEN THE STATE OF ARIZONA, ACTING THROUGH THE ARIZONA DEPARTMENT OF WATER RESOURCES, AND THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REGARDING THE IMPLEMENTATION OF INTERIM SURPLUS GUIDELINES ON THE COLORADO RIVER.

(TEXT OF RESOLUTION BEGINS ON NEXT PAGE)

1       Whereas, the State of Arizona maintains a sovereign interest in the  
2 waters of the Colorado river, represented by the contract between the United  
3 States of America and the State of Arizona that was executed February 24,  
4 1944 and ratified by the legislature in Laws 1944, Chapter 4; and

5       Whereas, the State of Arizona's rights in the Colorado river were  
6 further confirmed by the decree of the United States Supreme Court in the  
7 matter of Arizona v. California, 376 U.S. 340 (1964), including the right to  
8 divert 2.8 million acre-feet of Colorado river water for consumptive use  
9 within the State of Arizona in normal years, plus forty-six per cent of any  
10 surplus water made available by the secretary of the interior under the terms  
11 of the decree; and

12       Whereas, the secretary of the interior exercises authorities with  
13 respect to the management of the Colorado river dams and reservoirs pursuant  
14 to the Boulder canyon project act of 1928, the Colorado river project storage  
15 act of 1956 and the Colorado river basin project act of 1968, and other acts  
16 amendatory or supplementary thereto; and

17       Whereas, the secretary of the interior has been determined to have the  
18 authority to declare surplus conditions within the Colorado river system and  
19 to make quantities of surplus water available to Colorado river water  
20 contractors under the terms of the decree in Arizona v. California and the  
21 secretary of the interior was proposing to adopt surplus guidelines that did  
22 not adequately consider the interests of Arizona or other states of the  
23 Colorado river basin; and

24       Whereas, the seven states of the Colorado river basin met and drafted  
25 a proposal for surplus guidelines that represented a consensus among the  
26 representatives of the governors of all seven states; and

27       Whereas, the seven basin states' proposal was published by the  
28 secretary of the interior in the Federal Register on August 8, 2000, 65  
29 Federal Register Number 153 at 48531, and the secretary of the interior  
30 expressly acknowledged the importance of working with the representatives of  
31 the governors of the seven basin states in the adoption of interim surplus  
32 guidelines for the Colorado river; and

33       Whereas, the secretary of the interior has now issued a record of  
34 decision under the national environmental policy act of 1969 for the Colorado  
35 river interim surplus guidelines dated January 16, 2001 and published on  
36 January 25, 2001 at 66 Federal Register Number 17 at 7772 adopting, with some  
37 modification, the proposal of the seven basin states; and

38       Whereas, the record of decision adopting the seven basin states'  
39 proposal as the preferred alternative for the administration of surplus water  
40 within the Colorado river system for the interim period beginning January 1,  
41 2002 and ending December 31, 2016 also supports the program adopted by  
42 Colorado river contractors within the State of California to reduce  
43 dependence on Colorado river water supplies over the same period; and

1       Whereas, the record of decision on the Colorado river interim surplus  
2 guidelines acknowledges that the program for administration of surplus waters  
3 proposed by the seven basin states and adopted by the secretary of the  
4 interior is dependent on the State of Arizona foregoing delivery of certain  
5 quantities of surplus water that would otherwise be legally available under  
6 the terms of the 1944 Colorado river contract and the decree in Arizona v.  
7 California; and

8       Whereas, it is in the long term interest of the State of Arizona to  
9 forego delivery of limited quantities of surplus water in years when the  
10 elevation of Lake Mead does not indicate the potential for flood control  
11 releases, even though the State of Arizona would be legally entitled to such  
12 deliveries under the terms of the 1944 Colorado river water contract and the  
13 decree in Arizona v. California; and

14       Whereas, in exchange for Arizona's agreement to forego certain surplus  
15 supplies over the fifteen year period, Metropolitan Water District of  
16 Southern California has agreed to reduce its orders for Colorado river water  
17 to comply with the conservation requirements of the California Colorado river  
18 water reduction plan, and to provide insurance to Arizona that the use of  
19 surplus water within the State of California during the fifteen year period  
20 shall not cause a shortage of Colorado river water within the State of  
21 Arizona either during or after the fifteen year period; and

22       Whereas, Metropolitan Water District of Southern California has agreed  
23 that in the event that a shortage is triggered either during or after the  
24 interim period due to releases made to the State of California pursuant to  
25 the interim surplus guidelines, that Metropolitan Water District of Southern  
26 California shall reduce its use of Colorado river water by up to a total of  
27 1,000,000 acre-feet and direct that water for use within the State of Arizona  
28 to prevent any reduction of Colorado river supplies to the State of Arizona;  
29 and

30       Whereas, the specific terms of the promises made by Metropolitan Water  
31 District of Southern California to the State of Arizona are embodied in an  
32 agreement entitled interim surplus guidelines agreement prepared between the  
33 Arizona department of water resources and the Metropolitan Water District of  
34 Southern California, which will be duly executed in reliance on the adoption  
35 of the California plan and Colorado river interim surplus guidelines; and

36       Whereas, the effectiveness of such agreement is dependent on approval  
37 by the Arizona Legislature by concurrent resolution under Section 45-106,  
38 Arizona Revised Statutes; and

39       Whereas, the State of Arizona must act both through the Arizona  
40 Legislature and the Governor by this joint resolution to temporarily forego  
41 a contractual right accruing to the benefit of the state under the 1944  
42 Colorado river water contract and its sovereign rights accruing under the  
43 decree in Arizona v. California; and

1       Whereas, it is in the best interest of the State of Arizona to enter  
2 into an agreement with the Metropolitan Water District of Southern California  
3 that protects Arizona's interests in the waters of the Colorado river in  
4 surplus, normal and shortage years.

5 Therefore

6 Be it resolved by the Legislature of the State of Arizona:

7       1. That the State of Arizona shall waive its sovereign and contractual  
8 rights to the use of certain quantities of surplus water from the Colorado  
9 river that would otherwise be available for consumptive use within the State  
10 of Arizona under the 1944 Colorado river water contract and the decree in  
11 Arizona v. California for a period ending December 31, 2016 on the following  
12 conditions:

13       (a) That the secretary of the interior faithfully implement the terms  
14 of the seven basin states' proposal as adopted in the record of decision for  
15 the Colorado river interim surplus guidelines, as published on January 25,  
16 2001 at 66 Federal Register Number 17 at 7772; and

17       (b) That Metropolitan Water District of Southern California faithfully  
18 comply with all the terms of the record of decision and the interim surplus  
19 guidelines agreement entered into with the Arizona department of water  
20 resources; and

21       (c) That all Colorado river water that is otherwise available for  
22 release and consumptive use within the State of Arizona, including certain  
23 quantities of surplus water that will be available under the terms of the  
24 interim surplus guidelines, be delivered by the secretary of the interior in  
25 accordance with the rights of the Colorado river water contractors within  
26 Arizona.

27       2. That the contract between the Metropolitan Water District of  
28 Southern California and the Arizona department of water resources entitled  
29 interim surplus guidelines agreement be and hereby is authorized and approved  
30 on the following conditions:

31       (a) That the State of Arizona enforce the contract in accordance with  
32 its terms, unless the contract is supplemented, amended or modified; and

33       (b) That, except as provided in the contract, no supplement, amendment  
34 or modification shall be effective unless ratified and approved by the  
35 Arizona Legislature.

36       3. That this action is being taken in response to unique and  
37 extraordinary circumstances and shall not establish any precedent as to  
38 whether the Arizona Legislature may or may not alter rights to Colorado river  
39 water under contracts between the secretary of the interior and individuals,  
40 irrigation districts, corporations, state departments, agencies, boards,  
41 commissions or political subdivisions of Arizona, without their consent.

42       4. That the contract authorized and approved in this joint resolution  
43 is as follows:

Interim Surplus Guidelines Agreement  
Between the  
State of Arizona and the Metropolitan Water  
District of Southern California

THIS AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 2001  
by the State of Arizona ("Arizona"), acting through the Arizona  
Department of Water Resources ("Arizona DWR") and the  
Metropolitan Water District of Southern California ("MWD"), a  
California metropolitan water district.

RECITALS

A. The State of Arizona holds a contractual right for the  
delivery of Colorado River water in the amount of 2.8 million  
acre feet plus one-half of any surplus or excess water  
unapportioned by the Colorado River Compact to the extent such  
water is available for use within Arizona. 1944 Arizona Session  
Laws, Ch. 4 (1<sup>st</sup> Special Session). The 1944 Colorado River  
contract provides that deliveries of water thereunder shall be  
made for use within Arizona to such individuals, irrigation  
districts, corporations or political subdivisions of Arizona as  
may contract therefor with the Secretary. The Secretary has  
entered into contracts with various individuals, irrigation  
districts, corporations and political subdivisions within  
Arizona for the delivery of Colorado River water. The Arizona  
Department of Water Resources ("Arizona DWR") is an agency of  
the State of Arizona, created under Arizona Revised Statutes,  
Title 45, Chapter 1, Article 1 and authorized to prosecute and  
defend all rights, claims and privileges of the State of Arizona  
respecting interstate streams. Arizona DWR is specially  
authorized to enter into this contract pursuant to Senate Joint  
Resolution 1001, 45<sup>th</sup> Legislature, First Regular Session.

B. Metropolitan Water District of Southern California  
("MWD") is a metropolitan water district organized under the  
California Metropolitan Water District Act, codified at § 109-1  
of the Appendix to the California Water Code, and delivers  
Colorado River and other water in Los Angeles, Orange,  
Riverside, San Bernardino, San Diego and Ventura Counties,  
California for domestic and irrigation purposes.

C. The United States Secretary of the Interior  
("Secretary") is responsible for the operation of the reservoirs  
of the Colorado River system and controls the release and  
delivery of Colorado River water in the Lower Division states

1 pursuant to the Decree issued in *Arizona v. California*, 376 U.S.  
2 340 (1964), the Boulder Canyon Project Act of 1928, the Colorado  
3 River Basin Project Act of 1968 and other acts amendatory or  
4 supplementary thereto.

5 D. Palo Verde Irrigation District ("PVID"), the Yuma  
6 Project (Reservation Division) ("YPRD"), the Imperial Irrigation  
7 District ("IID"), and the Coachella Valley Water District  
8 ("CVWD") collectively hold California's first three priorities  
9 to Colorado River water and are collectively entitled to the  
10 beneficial consumptive use as reasonably required on specified  
11 lands of not to exceed 3,850,000 acre-feet each year. The  
12 fourth and fifth priorities totaling 1,212,000 acre feet per  
13 year are held by MWD. The sixth priority of 300,000 acre-feet  
14 per year is held by IID, CVWD and PVID for beneficial  
15 consumptive use as reasonably required on specified lands. The  
16 seventh priority of all remaining water available for use within  
17 California is reserved for agricultural use in the Colorado  
18 River Basin, as defined within California, which includes the  
19 lands within IID, CVWD, YPRD and PVID. MWD and CVWD also have  
20 surplus water delivery contracts with the Secretary of the  
21 Interior for the delivery of water that may be released by the  
22 Secretary under Article II(8)(2) of the Decree in *Arizona v.*  
23 *California*, 376 U.S. 340 (1964).

24 E. The pending Quantification Settlement Agreement among  
25 MWD, IID and CVWD ("QSA") proposes to settle a variety of  
26 long-standing disputes regarding the priority, use and transfer  
27 of Colorado River water within the State of California and will  
28 establish the terms for the further distribution of Colorado  
29 River water among the entities for up to seventy-five (75)  
30 years, based upon the water budgets set forth therein.

31 F. The QSA is conditioned upon the Secretary promulgating  
32 and implementing Interim Surplus Guidelines.

33 G. To assist the California agencies and to provide  
34 greater certainty of water supply for lower basin users, the  
35 representatives of the governors of the Colorado River basin  
36 states collectively developed an "Interim Surplus  
37 Guidelines - Working Draft" which was published in the Federal  
38 Register on August 8, 2000 at Volume 65, number 153, pages  
39 48531-48538 and is attached hereto as Exhibit 1. Certain  
40 technical corrections to the Basin States' Proposal were made  
41 and noted in the Federal Register on September 22, 2000 at  
42 Volume 65, number 185, page 57371. These corrections are  
43 attached hereto as Exhibit 2 (collectively the "Basin States'  
44 Proposal").

1 H. The Basin States' Proposal was adopted, with some  
2 modification, in the Secretary's Record of Decision for Colorado  
3 River Interim Surplus Guidelines ("Interim Surplus Guidelines"),  
4 dated January 16, 2001 and published in the Federal Register at  
5 Volume 66, number 17, page 7772-7782 (January 25, 2001). A copy  
6 of the Record of Decision is attached hereto as Exhibit 3.

7 I. The Basin States' Proposal requires that certain  
8 commitments be made by MWD for the benefit of the State of  
9 Arizona. The purpose of this agreement is to implement the  
10 commitments between MWD and the State of Arizona outlined in the  
11 Basin States' Proposal and to clarify how MWD and the State of  
12 Arizona intend to facilitate implementation of the Interim  
13 Surplus Guidelines.

14 J. Neither the State of Arizona nor MWD intend to, and  
15 under this agreement do not in any way transfer, assign,  
16 encumber, or grant to each other any ownership interest in or  
17 control over each other's water rights.

18  
19 ARTICLE 1  
20 DEFINITIONS

21  
22 1.1 As used in this agreement, the following terms have the  
23 following meanings:

24  
25 1.1.1 af. Acre-foot, a measure of volume.

26  
27 1.1.2 Annual Operating Plan or "AOP". The Annual  
28 Operating Plan for the Colorado River System  
29 Reservoirs transmitted to the Governors of the  
30 Colorado River Basin States each year by the  
31 Secretary in accordance with section 602 of  
32 the Colorado River Basin Project Act, 43  
33 U.S.C. § 1552(b).

34  
35 1.1.3 Arizona Water Banking Authority. The Arizona  
36 Water Banking Authority created under Arizona  
37 Revised Statutes § 45-2401 *et seq.*

38  
39 1.1.4 Basin States' Proposal. The proposal of the  
40 representatives of the governors of the  
41 Colorado River basin states published in the  
42 Federal Register on August 8, 2000, Volume 65,  
43 number 153, pages 48531-48538, attached hereto  
44 as Exhibit 1, and including the technical  
45 corrections published in the Federal Register

on September 22, 2000 at Volume 65, Number 185, page 57371, attached hereto as exhibit 2.

1.1.5 Benchmark Date. The Year in which California Agricultural Water Usage must be at or below a specified Benchmark Quantity in order to maintain the operation of the Interim Surplus Guidelines under sections 2(B)(1) and 2(B)(2). The specific Years are listed in the table in section 3.2 of this agreement.

1.1.6 Benchmark Quantity. A limitation on the total quantity of California Agricultural Water Usage in a Benchmark Year necessary to maintain the operation of the Interim Surplus Guidelines under sections 2(B)(1) and 2(B)(2). The specific quantities are listed in the table in section 3.2 of this agreement.

1.1.7 Bureau of Reclamation. The United States Bureau of Reclamation, acting through the Lower Colorado River Regional Office, Boulder City, Nevada.

1.1.8 California Agricultural Agencies. Palo Verde Irrigation District (PVID), Yuma Project (Reservation Division) (YPRD), Imperial Irrigation District (IID) and Coachella Valley Water District (CVWD).

1.1.9 California Agricultural Usage. The cumulative total consumptive usage of Colorado River water by the California Agricultural Agencies, plus 14,500 af of present perfected right use reserved for certain Indian communities, cities and individuals within California.

1.1.10 Colorado River Aqueduct. The existing aqueduct system owned and operated by MWD to transport water from Lake Havasu on the Colorado River to Lake Mathews in Riverside County, California.

1.1.11 Direct Delivery Domestic Use. The direct delivery of water to domestic end users or



1 other municipal and industrial water providers  
2 within the contractor's area of normal  
3 service, including incidental regulation of  
4 Colorado River supplies within the year of  
5 operation but not including Off-Stream  
6 Banking. "Direct Delivery Domestic Use" for  
7 MWD shall include delivery of water to end  
8 users within MWD's normal area of service,  
9 incidental regulation of Colorado River water  
10 supplies within the year of operation, and Off  
11 Stream Banking only with water delivered  
12 through the Colorado River Aqueduct.  
13

14 1.1.12 Decree in *Arizona v. California*. The Decree  
15 entered by the United States Supreme Court in  
16 *Arizona v. California*, 376 U.S. 340 (1964) and  
17 supplements thereto.  
18

19 1.1.13 Domestic Use. As defined in the Colorado  
20 River Compact of 1922.  
21

22 1.1.14 Flood Control Release. The release of water  
23 from Lake Mead and the operation of Hoover Dam  
24 for flood control purposes pursuant to the  
25 reservoir operating criteria specified in the  
26 February 8, 1984 Field Working agreement  
27 between the U. S. Army Corps of Engineers and  
28 the Bureau of Reclamation, and the U. S. Army  
29 Corps of Engineers regulations contained in 33  
30 C.F.R. Part 208.11, as in effect on the date  
31 that this agreement is executed.  
32

33 1.1.15 Flood Control Surplus Year. A Year in which  
34 the Secretary makes a Flood Control Release.  
35

36 1.1.16 Full Domestic Surplus Year. A Year in which  
37 the Secretary has determined a full domestic  
38 surplus, as defined in the Interim Surplus  
39 Guidelines.  
40

41 1.1.17 Interim Period. A fifteen-year period of  
42 time, commencing on January 1, 2002 and ending  
43 December 31, 2016 during which the Interim  
44 Surplus Guidelines are intended to operate.  
45

1.1.18 Interim Surplus Guidelines. The federal guidelines described in the Record of Decision dated January 16, 2001, published in Fed. Reg. Vol. 66, No. 17, page 7772-7782 (January 25, 2001) and attached hereto as Exhibit 3.

1.1.19 maf. Million acre-feet, an expression of volume.

1.1.20 Normal Year. A year when the Secretary determines, under applicable authority including but not limited to Article II(B)(1) of the Decree in *Arizona v. California*, and the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act of September 30, 1968, that no more than 7.5 million acre-feet of Colorado River water shall be delivered for consumptive use in Arizona, California and Nevada collectively. During the Interim Period, the Secretary is expected to determine a Normal Year or Shortage Year when Lake Mead storage is projected to be at or below elevation 1125 ft. on January 1, pursuant to section 2(A)(1) of the Interim Surplus Guidelines.

1.1.21 Off Stream Banking. The diversion of Colorado River water to underground storage facilities for use in subsequent years from the facility in which the water was stored by a contractor diverting such water.

1.1.22 Partial Domestic Surplus Year. A Year in which the Secretary has determined a partial domestic surplus as defined in the Interim Surplus Guidelines.

1.1.23 Quantified Surplus Year. A Year in which the Secretary has determined a quantified surplus as defined in the Interim Surplus Guidelines.

1.1.24 Secretary. The Secretary of the United States Department of the Interior, and duly appointed successors, representatives and others with

properly delegated authority, including the Regional Director of the Lower Colorado Region of the Bureau of Reclamation.

1.1.25 Shortage Year. Any year when the Secretary determines, under Article II(B)(3) of the Decree in *Arizona v. California*, and the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act of September 30, 1968, that insufficient water is available for release to satisfy annual consumptive use of 7,500,000 af in the states of California, Nevada and Arizona collectively.

1.1.26 Year. A calendar year beginning January 1 and ending December 31. When preceded by another defined term, such as "Quantified Surplus Year," Year shall mean the Year in which the quantified surplus is being released by the Secretary under the Annual Operating Plan.

1.1.27 OR Strategy. OS 0.70 alternative strategy as described in the Bureau of Reclamation's CRS sez Annual Colorado River System Simulation Model Overview and Users Manual, revised May, 1998.

## ARTICLE 2 BASIC PROVISIONS

2.1 Subject in all events to the specific terms and conditions of this agreement:

2.1.1 The purpose of this agreement is to create the specific contractual responsibilities between MWD and State of Arizona regarding the implementation of the Interim Surplus Guidelines as such guidelines exist on the date of this agreement, and notwithstanding any change in the Interim Surplus Guidelines. These contractual responsibilities include the intentional forbearance from the use of Colorado River water that the parties might otherwise be entitled to divert under existing

1 law and contracts. To the extent that the use  
2 of Colorado River water is intentionally  
3 forborene by one of the parties to this  
4 agreement for the exclusive use of the other,  
5 the Secretary will under authority of Article  
6 II(8)(6) of the Decree in *Arizona v.*  
7 *California*, make that water available to the  
8 intended recipient.  
9

10 2.1.2 MWD agrees that it shall: (1) implement or  
11 facilitate the implementation of conservation  
12 measures and water transfers within the State  
13 of California to gradually reduce diversions  
14 of Colorado River water for consumptive use  
15 within the State of California; (2) place its  
16 orders for delivery of Colorado River water  
17 with the Secretary in a manner that upholds  
18 the commitments of this agreement and reduces  
19 total consumptive use of Colorado River water  
20 within the State of California; and (3) make  
21 reparation to the State of Arizona for  
22 shortages of Colorado River water if the  
23 Secretary has released surplus water to MWD in  
24 a Full or Partial Domestic Surplus Year. Each  
25 of the foregoing shall be performed in  
26 accordance with the provisions of this  
27 agreement.  
28

29 2.1.3 The State of Arizona agrees that it shall: (1)  
30 through Joint Resolution of the Arizona  
31 Legislature waive a portion of its rights to  
32 surplus Colorado River water and cause  
33 contractors within Arizona to refrain from  
34 ordering surplus Colorado River water from the  
35 Secretary in certain quantities in certain  
36 years, in accordance with the terms of this  
37 agreement; and (2) waive any claim against MWD  
38 for shortages of Colorado River water arising  
39 from the release of surplus water to MWD in a  
40 Full or Partial Domestic Surplus Year during  
41 the Interim Period. Each of the foregoing  
42 shall be performed in accordance with the  
43 provisions of this agreement.

1           2.1.4 Nothing in this agreement shall preclude the  
2           consumptive use of Colorado River water in  
3           California in excess of the quantities  
4           specified in this agreement if such Colorado  
5           River water is apportioned to but unused by  
6           other states of the Lower Division and such  
7           water is released for use within California by  
8           the Secretary under Article II (B)(6) of the  
9           Decree in *Arizona v. California*.

10  
11          2.1.5 Nothing in this agreement shall preclude the  
12          operation of accounting policies validly  
13          adopted by the Bureau of Reclamation that  
14          allow California to overrun consumptive use  
15          limits in some Year(s) provided that such  
16          water is repaid to the system in subsequent  
17          Year(s). The State of Arizona does not, by  
18          this agreement, waive any claim that such  
19          policies have not been validly adopted, are a  
20          violation of the Decree in *Arizona v.*  
21          *California*, or are otherwise not in accordance  
22          with law.

23  
24                                   ARTICLE 3

25                   MWD'S OBLIGATION TO CAUSE OR FACILITATE CONSERVATION  
26                   MEASURES AND WATER TRANSFERS WITHIN THE STATE OF  
27                   CALIFORNIA DURING THE INTERIM PERIOD  
28

29          3.1    To insure that California can limit its consumptive use of  
30          Colorado River water to no more than 4.4 maf after the 15  
31          year Interim Period, unless a surplus is thereafter  
32          determined under the 70R Strategy, MWD shall implement or  
33          facilitate the implementation of conservation measures and  
34          water transfers within the State of California to  
35          gradually reduce California Agricultural Usage.

36  
37          3.2    California Agricultural Usage must be at or below the  
38          following listed amounts by the end of the calendar year  
39          indicated, absent consideration of any surplus water use  
40          under a Flood Control Release or a Quantified Surplus  
41          Year, and absent any consideration of sub-article 2.1.5:

Benchmark Date By end of Year	Benchmark Quantity* California Agricultural Usage
2003.....	3.74 maf
2006.....	3.64 maf
2009.....	3.53 maf
2012.....	3.47 maf

\* For Decree accounting purposes all reductions must be within 25,000 acre-feet of the amounts stated.

3.3 If California Agricultural Usage has not reduced to the above Benchmark Quantities by the Benchmark Date, the interim surplus determinations under sections 2(B)(1) and 2(B)(2) of the Interim Surplus Guidelines are expected to be suspended by the Secretary and surplus quantities, if any, are expected to be determined by the Secretary under the 70R Strategy during the suspension. Independent of any such action by the Secretary to suspend the Interim Surplus Guidelines, MWD shall make its order for Colorado River water to the Secretary in any Year following a missed Benchmark Date in an amount necessary to insure that consumptive use of Colorado River water within the State of California does not exceed 4.4 maf plus any surplus determined by the Secretary to be available to the State of California under the 70R Strategy.

3.4 If California Agricultural Usage meets the missed Benchmark Quantity before the next Benchmark Date, the interim surplus determinations under sections 2(B)(1) and 2(B)(2) of the Interim Surplus Guidelines are expected to be reinstated as the basis for the surplus determinations under the AOP for the next following year(s). Upon such reinstatement, MWD's orders for Colorado River water to the Secretary shall be as stated in Article 4 below.

3.5 For Year 2017, MWD shall make its order for Colorado River water to the Secretary in an amount necessary to insure that consumptive use of Colorado River water within the State of California does not exceed 4.4 maf plus any

surplus determined by the Secretary to be available to the state of California under the 70R Strategy.

3.6 MWD shall not cause the diversion of Colorado River water for Off Stream Banking in years of interim surplus determinations under sections 2(B)(1) and 2(B)(2) of the Interim Surplus Guidelines unless the water is delivered through the Colorado River Aqueduct.

3.7 Nothing in this article shall be construed to allow the State of California to receive more Colorado River water in any Shortage Year or Normal Year than would otherwise be allowed under existing law.

#### ARTICLE 4

#### MWD's OBLIGATIONS FOR ORDERING COLORADO RIVER WATER IN NORMAL AND SURPLUS YEARS DURING THE INTERIM PERIOD

4.1 This article sets forth the limitations on MWD's orders of Colorado River water under Normal Year, Partial Domestic Surplus Year, Full Domestic Surplus Year, Quantified Surplus Year and Flood Control Release Year conditions during the Interim Period.

4.2 Normal Year. In years when available Lake Mead storage is projected to be at or below elevation 1,125 feet but the Secretary has not declared a Shortage Year, MWD shall make its order for Colorado River water to the Secretary in such year in an amount necessary to insure that consumptive use of Colorado River water within the State of California does not exceed 4.4 maf, subject to consideration for subarticles 2.1.4 and 2.1.5.

4.3 Partial Domestic Surplus Year. In years when Lake Mead storage is projected to be between elevation 1125 feet and elevation 1145 feet on January 1, a Partial Domestic Surplus is expected to exist under the Interim Surplus Guidelines. For such Year, MWD shall make its order for surplus Colorado River water to the Secretary as follows:

4.3.1 For Direct Delivery Domestic Use by MWD, 1.212 maf reduced by: (1) the amount of basic apportionment available to MWD and (2) the amount of its domestic demand which MWD

offsets in such year by offstream groundwater withdrawals or other options. The amount offset under (2) shall not be less than 380,000 af in 2002 and will be reduced by 20,000 af/year over the Interim Period so as to equal 100,000 af in 2016.

4.4 Full Domestic Surplus Year. In years when Lake Mead content is projected to be above elevation 1145 feet, but less than the amount which would initiate a surplus determination under a Quantified Surplus Year or Flood Control Surplus Year on January 1, a Full Domestic Surplus is expected to exist under the Interim Surplus Guidelines. For such Year, MWD shall make its order for surplus Colorado River water to the Secretary as follows:

4.4.1 For Direct Delivery Domestic Use by MWD, 1.250 maf reduced by the amount of basic apportionment available to MWD.

4.5 Quantified Surplus Year. In years when the Secretary determines that water should be released for beneficial consumptive use to reduce the risk of potential reservoir spills based on the 70R Strategy, a Quantified Surplus Year shall exist under the Interim Surplus Guidelines. MWD and the State of Arizona agree that the Secretary is expected to determine and allocate the Quantified Surplus sequentially as follows, and MWD shall make its order for surplus Colorado River water to the Secretary for such year based on the following determination and allocation:

4.5.1 The Secretary establishes the volume of the Quantified Surplus;

4.5.2 The Secretary is expected to allocate and distribute the Quantified Surplus 50% to California; 46% to Arizona and 4% to Nevada subject to the following:

4.5.3 California's share is expected to be allocated first to meet basic apportionment demands and MWD's Direct Delivery Domestic Use and Off-Stream Banking demands, and then to California Priorities 6 and 7 and other



1 surplus contracts. Nevada's share is expected  
2 to be allocated first to meet basic  
3 apportionment demands and then to the  
4 remaining Direct Delivery Domestic Use and  
5 Off-stream Banking demands. Arizona's share is  
6 expected to be allocated to surplus demands in  
7 Arizona including Off-stream Banking and  
8 interstate banking demands.  
9

10 4.5.4 The Secretary is expected to distribute any  
11 unused share of the Quantified Surplus in  
12 accordance with section 1(B) of the Interim  
13 Surplus Guidelines.  
14

15 4.5.5 The Secretary is expected to determine whether  
16 MWD, SNWA and Arizona have received the amount  
17 of water they would have received under a Full  
18 Domestic Surplus if a Quantified Surplus had  
19 not been declared. If they have not, then  
20 MWD, SNWA and Arizona contractors may place  
21 their orders for Colorado River water as if  
22 the Secretary had determined a Full Domestic  
23 Surplus.  
24

25 4.5.6 MWD and the State of Arizona agree that any  
26 remaining water shall remain in storage in  
27 Lake Mead.  
28

29 4.6 Flood Control Surplus Year. In years when the Secretary  
30 makes a Flood Control Release, or in the AOP determines a  
31 Flood Control Surplus Year, MWD and the State of Arizona  
32 agree that releases may be made to satisfy all beneficial  
33 uses within California and Arizona, including unlimited  
34 Off Stream Banking and section 215 deliveries under the  
35 Reclamation Reform Act of 1982 (95 Stat. 1263). MWD and  
36 Arizona contractors may make their orders for Colorado  
37 River water to the Secretary without any limitation under  
38 this agreement. Thereafter, the Secretary may notify the  
39 United States Section of the International Boundary and  
40 Water Commission that there may be a surplus of water as  
41 provided in Article 10 of the *Utilization of Waters of the*  
42 *Colorado and Tijuana Rivers and of the Rio Grande, Treaty*  
43 *Between the United States of America and Mexico*, signed  
44 February 3, 1944 ("Mexican Water Treaty of 1944").

ARTICLE 5  
MWD'S OBLIGATIONS IN SHORTAGE YEARS  
DURING AND AFTER THE INTERIM PERIOD, OR IN THE  
EVENT OF A SUSPENSION OF THE INTERIM SURPLUS  
GUIDELINES

5.1 This article sets forth the limitations on MWD's orders of Colorado River water under Shortage Year conditions both during and after the Interim Period.

5.2 MWD's Obligations During the Interim Period. If the Secretary determines a Shortage Year during the Interim Period, MWD shall make its order for Colorado River water to the Secretary for that Shortage Year in an amount necessary to insure that total consumptive use of Colorado River water within the State of California does not exceed 4.4 maf for that Shortage Year. In addition, if the Secretary has released water to MWD under either a Partial Domestic Surplus or a Full Domestic Surplus during the Interim Period, and if the Secretary declares a later year in the Interim Period to be a Shortage Year in which deliveries to Arizona will be reduced, MWD agrees to compensate for the impact of such shortage upon the State of Arizona as follows:

5.2.1 MWD shall make or reduce its order for Colorado River water to the Secretary for that Shortage Year in an amount necessary to insure that the total consumptive use of Colorado River water in the State of California shall be less than 4.4 maf. The amount by which MWD shall be required to reduce consumptive use of Colorado River water in the State of California below 4.4 maf shall be the same amount by which the Secretary limits consumptive use of Colorado River water in the State of Arizona below 2.8 maf for that Shortage Year. During the Interim Period, MWD's obligation to reduce consumptive use of Colorado River water within the State of California shall be subject to a 500,000 af yearly maximum. The water intentionally forborne by MWD pursuant to this paragraph shall be available exclusively for consumptive use in the State of Arizona under Article

1 II(B)(6) of the Decree in *Arizona v.*  
2 *California.*

3  
4 5.2.2 MWD and Arizona DWR may agree upon a program  
5 to share the impact of shortages in any  
6 Shortage Year. Upon learning of the potential  
7 for shortage in the AOP promulgation process,  
8 MWD and Arizona DWR shall meet and confer  
9 regarding the relative impact of shortage on  
10 the respective states. If it appears that the  
11 shortage may last more than one year, Arizona  
12 DWR may, after consultation with affected  
13 Colorado River contractors in Arizona, consent  
14 to allow MWD to spread the shortage reparation  
15 over more than one year. In the event such an  
16 agreement is made, MWD shall reduce its order  
17 for Colorado River water to the Secretary for  
18 the next two or more years to implement the  
19 terms of such an agreement and to insure that  
20 total consumptive use of Colorado River water  
21 in the State of California shall be reduced  
22 below 4.4 maf to meet the agreed upon amount  
23 of reparation for each year.  
24

25 5.2.2.1 In the event that such an agreement is made,  
26 but the year(s) following the first Shortage  
27 Year are not declared to be Shortage Years,  
28 MWD shall nevertheless retain the obligation  
29 to intentionally forbear use of Colorado  
30 River water and return the water owing to  
31 the State of Arizona in subsequent  
32 years. In such event, MWD acknowledges that  
33 the water might not be needed for direct use  
34 in Arizona and, if not so needed, shall pay  
35 the actual cost to store the forborne water  
36 in Arizona through the Arizona Water Banking  
37 Authority, such costs to be agreed upon by  
38 the parties to such agreement.  
39

40 5.2.3 MWD may enter into an interstate banking  
41 arrangement with the Arizona Water Banking  
42 Authority at some future time. If such an  
43 agreement is made, it may include the  
44 opportunity for MWD to call upon credits held  
45 by the Arizona Water Banking Authority for the

benefit of MWD to replace water that otherwise would be required to be forborne by MWD under the terms of this agreement. In the event that such an agreement is made, the terms thereof shall modify the terms of this agreement only as expressly provided in such future agreement, and only as agreed to by the parties to this agreement.

5.3 MWD's Obligations after the Interim Period arising from a Partial Domestic Surplus or a Full Domestic Surplus. If the Secretary has released water to MWD under either a Partial Domestic Surplus or a Full Domestic Surplus during the Interim Period, and if the Secretary declares a year after the Interim Period to be a Shortage Year, MWD agrees to compensate for the impact of such shortage upon the State of Arizona as follows:

5.3.1 MWD shall make or reduce its order for Colorado River water to the Secretary for that Shortage Year in an amount necessary to insure that the total consumptive use of Colorado River water in the State of California shall be less than 4.4 maf. The amount by which MWD shall be required to reduce consumptive use of Colorado River water in the State of California below 4.4 maf shall be the same amount by which the Secretary limits consumptive use of Colorado River water in the State of Arizona below 2.8 maf for that Shortage Year. Notwithstanding the agreement reached in the Basin States' Proposal, MWD's obligation to reduce consumptive use of Colorado River water within the State of California after the Interim Period shall also be subject to a 500,000 af yearly maximum. The water intentionally forborne by MWD pursuant to this paragraph shall be available exclusively for consumptive use in the State of Arizona under Article II(B)(6) of the Decree in *Arizona v. California*.

5.3.2 Arizona DWR may, after consultation with affected Colorado River contractors in Arizona, agree to a program to share the

1 impact of shortages with MWD after the Interim  
2 Period in the same manner as provided in  
3 paragraph 5.2.2 or 5.2.3 above.  
4

5 5.4 Termination of MWD's Shortage Year Obligations. MWD's  
6 obligation to compensate for the impact of shortages to  
7 the State of Arizona under the terms of this agreement  
8 shall terminate at the earliest of any of the following  
9 events:

10  
11 5.4.1 MWD has, by performance of the obligations of  
12 this agreement, intentionally forborne a  
13 cumulative total of one million acre feet of  
14 water for the benefit of the State of Arizona  
15 by causing the reduction in consumptive use of  
16 Colorado River water in the State of  
17 California below 4.4 maf per year; or  
18

19 5.4.2 In any year after the Interim Period, the  
20 Secretary makes a Flood Control Release; or  
21

22 5.4.3 MWD and Arizona DWR have agreed upon an  
23 alternative shortage reparation that expressly  
24 terminates the obligations of this agreement.  
25

26 5.5 Notice of Compliance. If the Annual Operating Plan  
27 promulgation process indicates that a shortage will be  
28 determined for the upcoming year, then within 30 days of  
29 MWD's receipt of such notice, but in no event later than  
30 November 15 of the current year, MWD shall send notice to  
31 Arizona DWR indicating the manner in which MWD will  
32 fulfill its obligations set forth in sections 5.2 or 5.3  
33 above.  
34

35 5.5.1 If subsequent to the transmittal of the final  
36 Annual Operating Plan, the Secretary  
37 determines that the current year is a Shortage  
38 Year, MWD shall within 60 days of receipt of  
39 notice by the Secretary of such shortage, send  
40 notice to Arizona DWR indicating the manner in  
41 which MWD will fulfill its obligations set  
42 forth in sections 5.2 or 5.3 above.

1 5.5.2 Arizona DWR shall have 15 days from receipt of  
2 MWD's Notice of Compliance in which to object  
3 to the manner of MWD's intended compliance by  
4 providing a Notice of Objection to MWD. The  
5 Notice of Objection shall specify the basis  
6 for the objection and shall set forth the  
7 method(s) of compliance by which Arizona DWR  
8 would be satisfied. Failure to send MWD Notice  
9 of Objection within the 15 day period shall be  
10 a conclusive acceptance by Arizona DWR of  
11 MWD's Notice of Compliance.  
12

13 5.5.3 If Arizona DWR sends a Notice of Objection,  
14 MWD shall have 15 days from receipt of such  
15 notice to either accept and comply with the  
16 notice, or send Arizona DWR a Notice of  
17 Dispute. In the event that a Notice of  
18 Dispute is sent, it shall be resolved pursuant  
19 to Article 9 below. Failure by MWD to send a  
20 Notice of Acceptance or Dispute within 15 days  
21 of receipt of the Notice of Objection shall be  
22 a conclusive acceptance by MWD of the Notice  
23 of Objection, and MWD shall adopt the  
24 method(s) of compliance stated in the Notice  
25 of Objection.  
26

27 5.6 MWD's Obligations in the Event of Suspension of the  
28 Interim Surplus Guidelines. In the event that the Interim  
29 Surplus Guidelines are suspended prior to the end of the  
30 Interim Period under section 5 of the Interim Surplus  
31 Guidelines, MWD shall have the following obligations:  
32

33 5.6.1 MWD shall forebear from diverting water in an  
34 amount equal to the volume of Colorado River  
35 water diverted during the Interim Period for  
36 Off Stream Banking from the Colorado River  
37 Aqueduct by and for the benefit of MWD under  
38 any Full Domestic Surplus determination.  
39

40 5.6.2 MWD's obligation to forebear as set forth in  
41 section 5.6.1 shall be fulfilled beginning in  
42 the next Normal or Shortage Year determined by  
43 the Secretary. The water forborne shall  
44 accrue to the benefit of the Colorado River  
45 reservoir system and shall become water

1 controlled by the United States for future  
2 release under the terms of the Decree in  
3 *Arizona v. California*.  
4

5 5.6.3 MWD's obligation to forebear in this section  
6 5.6 shall be limited to no more than 200,000  
7 af annually, until completed.  
8

9 5.6.4 MWD's obligations incurred under this section  
10 5.6 shall terminate on the earlier of the date  
11 on which MWD's obligation has been satisfied  
12 or the first day of the first year after the  
13 suspension of the Interim Surplus Criteria in  
14 which the Secretary determines a surplus under  
15 the 70R Strategy or makes a Flood Control  
16 Release.  
17

18 5.6.5 MWD shall follow the same procedure for notice  
19 of compliance of its obligations under this  
20 paragraph 5.6 as set forth in paragraph 5.5  
21 above.  
22

23 ARTICLE 6  
24 OBLIGATIONS OF THE STATE OF ARIZONA  
25

26 6.1 This article sets forth the limitations on use of surplus  
27 water by Arizona contractors during the Interim Period in  
28 Partial Domestic Surplus Year, Full Domestic Surplus Year,  
29 Quantified Surplus Year and Flood Control Surplus Year  
30 conditions.  
31

32 6.2 In Partial Domestic Surplus Year and Full Domestic Surplus  
33 Year conditions, the State of Arizona shall partially  
34 waive its contractual rights to surplus Colorado River  
35 water and insure that Arizona contractors for Colorado  
36 River water shall intentionally forbear use of a portion  
37 of Arizona's 46% share of surplus as follows:  
38

39 6.2.1 Partial Domestic Surplus Year. The State of  
40 Arizona shall insure that consumptive use of  
41 Colorado River water in the State of Arizona  
42 for any Partial Domestic Surplus Year does not  
43 exceed 2.8 maf plus one half of the Direct  
44 Delivery Domestic Use in Arizona in excess of

1 the State of Arizona's basic apportionment of  
2 2.8 maf.

3  
4 6.2.2 Full Domestic Surplus Year. The State of  
5 Arizona shall insure that consumptive use of  
6 Colorado River water in the State of Arizona  
7 for any Full Domestic Surplus Year does not  
8 exceed 2.8 maf plus the Direct Delivery  
9 Domestic Use in Arizona in excess of Arizona's  
10 basic apportionment of 2.8 maf.

11  
12 6.3 Quantified Surplus Year. In years when the Secretary  
13 determines that water should be released for beneficial  
14 consumptive use to reduce the risk of potential reservoir  
15 spills based on the 70R Strategy, MWD and the State of  
16 Arizona agree that the Secretary is expected to determine  
17 and allocate a Quantified Surplus sequentially as follows.  
18 The State of Arizona shall insure that Arizona's orders  
19 for Colorado River water to the Secretary for such year  
20 are based on the following determination and allocation:

21  
22 6.3.1 The Secretary establishes the volume of the  
23 Quantified Surplus;

24  
25 6.3.1.1 The Secretary is expected to  
26 allocate and distribute the  
27 Quantified Surplus 50% to  
28 California; 46% to Arizona and  
29 4% to Nevada subject to the  
30 following:

31  
32 6.3.1.2 California's share is expected  
33 to be allocated first to meet  
34 basic apportionment demands and  
35 MWD's Direct Delivery Domestic  
36 Use and Off-Stream Banking  
37 demands, and then to California  
38 Priorities 6 and 7 and other  
39 surplus contracts. Nevada's  
40 share is expected to be  
41 allocated first to meet basic  
42 apportionment demands and then  
43 to the remaining Direct Delivery  
44 Domestic Use and Off. Stream  
45 Banking demands. Arizona's



1 share is expected to be  
2 allocated to surplus demands in  
3 Arizona including Off Stream  
4 Banking and interstate banking  
5 demands.  
6

7 6.3.1.3 The Secretary is expected to  
8 distribute any unused share of  
9 the Quantified Surplus in  
10 accordance with section 1(B) of  
11 the Interim Surplus Guidelines.  
12

13 6.3.1.4 The Secretary is expected to  
14 determine whether MWD, SNWA and  
15 Arizona have received the amount  
16 of water they would have  
17 received under a Full Domestic  
18 Surplus if a Quantified Surplus  
19 had not been declared. If they  
20 have not, then MWD, SNWA and  
21 Arizona contractors may place  
22 orders for surplus water as if  
23 the Secretary had determined a  
24 Full Domestic Surplus.  
25

26 6.3.1.5 The State of Arizona and MWD  
27 agree that any remaining water  
28 shall remain in storage in Lake  
29 Mead.  
30

31 6.4 MWD's Use of Surplus Water. The State of Arizona will not  
32 object to the Secretary making Colorado River water  
33 available to MWD in accordance with the Interim Surplus  
34 Guidelines so long as such release and use are consistent  
35 with the terms of this agreement.  
36

37 ARTICLE 7  
38 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE STATE OF  
39 ARIZONA AND MWD  
40

41 7.1 The following are conditions precedent to the rights and  
42 obligations of this agreement:

1           7.1.1 Quantification Settlement Agreement. The  
2           Quantification Settlement Agreement shall be  
3           in full force and effect no later than  
4           December 31, 2002.

5  
6           7.1.2 A duly effective Joint Resolution of the  
7           Arizona Legislature authorizing and approving  
8           this agreement.

9  
10          7.2 If the conditions in this Article are not timely satisfied  
11          or waived, this agreement will be void.

12  
13                           ARTICLE 8  
14                   NOTICE AND ACCOUNTING PROVISIONS

15  
16          8.1 Decree Accounting. Arizona DWR and MWD will work  
17          cooperatively with the Bureau of Reclamation and other  
18          interested persons to develop a decree accounting format  
19          that will clearly and accurately reflect the amount of  
20          Colorado River water MWD has diverted under the Full  
21          Domestic Surplus or Partial Domestic Surplus Years.

22  
23          8.2 MWD's Groundwater Storage Records. Within 60 days of  
24          receipt by MWD of the final Decree Accounting Record for  
25          a Year, MWD will provide to Arizona DWR notice of the  
26          amount of Full Domestic Surplus Colorado River water which  
27          MWD has diverted through the Colorado River Aqueduct for  
28          Off Stream Banking.

29  
30          8.3 Notice. Any notice under this agreement shall be in  
31          writing and delivered by personal service, or by express  
32          delivery or courier service that guarantees delivery  
33          overnight and provides written confirmation of such  
34          delivery, to the following addresses:

35  
36           8.3.1 MWD:

37  
38                   Metropolitan Water District of Southern California  
39                   Attention: General Manager  
40                   P.O. Box 54153  
41                   Los Angeles, California 90054-0153

42  
43                   For personal or overnight delivery:

1 Metropolitan Water District of Southern California  
2 Attention: General Manager  
3 700 North Alameda Street  
4 Los Angeles, California 90012  
5

6 Telephone: 213-217-6211  
7 Facsimile: 213-217-6655  
8

9 Copy to: Attention: General Counsel  
10

11 8.3.2 State of Arizona:  
12

13 Arizona Department of Water Resources  
14 Attention: Director  
15 500 North Third Street  
16 Phoenix, Arizona 85007  
17

18 Telephone: 602-417-2410  
19 Facsimile: 602-417-2415  
20

21 Copy to: Attention: Chief Counsel  
22

23 ARTICLE 9  
24 DISPUTE RESOLUTION  
25

26 9.1 In the event that a dispute arises over any action to be  
27 undertaken pursuant to the terms of this agreement, all  
28 parties recognize that time is of the essence in the  
29 conduct of the parties under the terms of this agreement.  
30 Nothing herein shall limit any party's right to seek or  
31 oppose provisional relief in any dispute.  
32

33 9.2 The parties agree that the Colorado River water resources  
34 being forborne, allocated and made available for use in  
35 other States of the Lower Division under the terms of this  
36 agreement are unique and very likely cannot be replaced in  
37 timely fashion by other resources. Accordingly, the  
38 parties agree that in any dispute, one party will likely  
39 be requesting an injunction ordering specific performance  
40 of the terms of this agreement. The parties agree that a  
41 party opposing the specific enforcement of this agreement  
42 shall have the burden to show by clear and convincing  
43 evidence that alternative resources are in fact available  
44 and a remedy at law is otherwise adequate.

ARTICLE 10  
GENERAL PROVISIONS

- 10.1 Force Majeure. If the performance, in whole or in part, of the obligations of the respective parties under this agreement is hindered, interrupted or prevented by wars, strikes, lockouts, fire, acts of God or by other acts of military authority, or by any other cause beyond the control of the respective parties hereto, such obligations of the respective parties under this agreement shall be suspended to the extent and for the time the performance thereof is affected by any such act. Upon the cessation of any such hindrance, interruption or prevention, all parties shall become obligated to resume and continue performance of their respective obligations under this agreement. Notwithstanding any act described in this Section, the Parties shall diligently undertake all reasonable effort to perform their duties in accordance with this agreement.
- 10.2 Records. Each of the parties shall maintain and make available for inspection by the other party, during regular office hours, accurate records pertaining to the times and amounts of deliveries of all Colorado River water released, diverted, consumptively used or stored by that party.
- 10.3 No Conveyance. This agreement shall not be construed as a conveyance, abandonment or waiver of any water right, or right to the use of water, nor shall it be construed as conferring any right whatsoever upon any person, firm, corporation or other public or private entity not a party to this agreement.
- 10.4 Governing Law. Federal law shall be applied as appropriate to the extent that it bears on the resolution of any claim or issue relating to the permissibility of a use of water under this agreement.
- 10.5 Binding Effect. This agreement is binding upon and will inure to the benefit of the parties and, upon dissolution, the legal successors and assigns of their assets and liabilities. No party may assign any of its rights or delegate any of its duties under this agreement, except that any state agency duly authorized to assume the rights

1 and liabilities of this contract under state law may be  
2 substituted for its predecessor state agency. Any  
3 assignment or delegation made in violation of this  
4 agreement is void.

5  
6 10.6 Due Authority. Any person signing this agreement  
7 represents that he/she has full power and authority to do  
8 so, and, that his/her signature is legally sufficient to  
9 bind the party on whose behalf he/she is signing.

10  
11 10.7 Entire Agreement. This agreement constitutes the final,  
12 complete, and exclusive statement of the terms of the  
13 agreement between the parties.

14  
15 10.8 Modification. This agreement may be supplemented,  
16 amended, or modified only by the written agreement of the  
17 parties. Except as expressly provided in this subarticle,  
18 no supplement, amendment or modification shall be  
19 effective unless ratified and approved by the Arizona  
20 Legislature. Ratification and approval by the Arizona  
21 Legislature shall not be required for any supplement,  
22 amendment or modification of this agreement made pursuant  
23 to subarticles 5.2.2, 5.2.2.1, 5.2.3, 5.3.2 and 8.3 of  
24 this agreement.

25  
26 10.9 Joint Defense. The parties agree to proceed with  
27 reasonable diligence and use reasonable best efforts to  
28 jointly defend any lawsuit or administrative proceeding  
29 challenging the legality, validity, or enforceability of  
30 any term of this agreement, or any party's right to act in  
31 accordance with any of the terms of this agreement.

32  
33 10.10 Recitals. The Recitals to this agreement are a part of  
34 this agreement to the same extent as the articles.

35  
36 10.11 A.R.S. § 38-511. The parties are hereby notified of  
37 Arizona Revised Statutes section 38-511.

38  
39 Sec. 5. Emergency

40 This resolution is an emergency measure that is necessary to preserve  
41 the public peace, health or safety and is operative immediately as provided  
42 by law.

~~PASSED BY THE HOUSE MAY 2, 2001.~~

~~PASSED BY THE SENATE MAY 2, 2001.~~

- 28 -

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2001.~~

HOUSE FINAL PASSAGE  
as per Joint Conference

Passed the House May 02, 2001,  
by the following vote: 48 Ayes,

5 Nays, 7 Not Voting  
with emergency  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

SENATE FINAL PASSAGE  
as per Joint Conference

Passed the Senate May 2, 2001,  
by the following vote: 30 Ayes,

0 Nays, 0 Not Voting  
with Emergency  
President of the Senate

Channing Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 3 day of May, 2001,

at 9:42 o'clock A M.

Sandra Love  
Secretary to the Governor

Approved this 8 day of

May, 2001,

at 4:05 o'clock P M.

Janet Lee  
Governor of Arizona

S.J.R. 1001

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 8 day of May, 2001,

at 5:30 o'clock P M.

Betsy Bayless  
Secretary of State

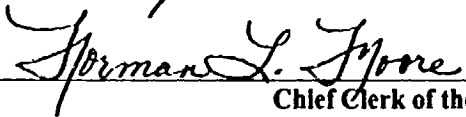
Passed the House April 17, 20 01,

by the following vote: 50 Ayes,

4 Nays, 6 Not Voting



Speaker of the House

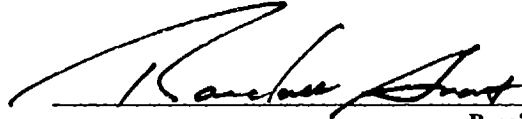


Chief Clerk of the House

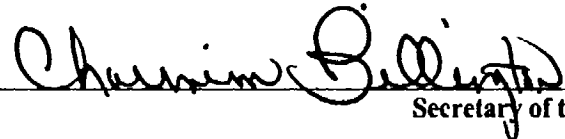
Passed the Senate March 20, 20 01,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

       day of       , 20  ,

at        o'clock        M.

        
Secretary to the Governor

Approved this        day of

      , 20  ,

at        o'clock        M.

        
Governor of Arizona

S.J.R. 1001

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this        day of       , 20  ,

at        o'clock        M.

        
Secretary of State